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BELLSOUTH LONG DISTANCE, INC.  
VERIFIED DIRECT TESTIMONY OF MARIO L. SOTO  
BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
DOCKET NO. \_\_\_\_\_  
FEBRUARY 17, 2004

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH  
LONG DISTANCE, INC. (BSLD) AND YOUR BUSINESS ADDRESS.

A. My name is Mario L. Soto. I am employed by BellSouth Long Distance, Inc.  
("BSLD"), as Director-Business Implementation and Compliance. My  
business address is Suite 350, 400 Perimeter Center Terrace, Atlanta, Georgia  
30346.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND  
AND EXPERIENCE.

A. I have over thirty years experience in the telecommunications industry. During  
that period, I worked for Southern Bell Telephone Company, AT&T  
Corporation, and different affiliates within BellSouth Corporation. I attended  
the University of Florida where I earned a Bachelor of Science in Electrical  
Engineering Degree in 1970 and obtained a Master of Electrical Engineering  
Degree in 1971. I earned a Master of Business Administration Degree from

1 Georgia State University in 1980. Upon graduation from the University of  
2 Florida I began employment with Southern Bell as an Equipment Engineer. I  
3 have held various positions in Pricing, Marketing and Product Management  
4 within BellSouth and AT&T. I was promoted to Director of Business  
5 Development & Planning for BellSouth BSE, Inc., ("BSE") in 1998, and  
6 joined BSLD in 1999 as Director-Business Implementation and Compliance  
7 supporting the Complex Business and Wholesale services markets, including  
8 services offered by both BSLD and BSE.

9  
10 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

11

12 A. The purpose of my testimony is to provide information in support of the Joint  
13 Application of BSE and BSLD for approval of a merger of BSE into BSLD. I  
14 will provide a brief overview of BSE and BSLD, explain why BSE and BSLD  
15 want to accomplish this merger, and demonstrate that the merger of BSE into  
16 BSLD complies with applicable regulatory requirements.

17

18 Q. PLEASE GIVE A BRIEF OVERVIEW OF BSLD.

19

20 A. BSLD is a wholly owned subsidiary of BellSouth Corporation, a Delaware  
21 corporation whose stock is publicly traded on the New York Stock Exchange  
22 and on the Boston, Chicago, Pacific and Philadelphia exchanges in the United  
23 States and the London, Frankfurt, Amsterdam and Swiss exchanges abroad.

1 BSLD is a corporation organized under the laws of the State of Delaware, was  
2 incorporated on March 13, 1996, and was granted a Certificate of Authority to  
3 transact business as a foreign corporation in the State of South Carolina in  
4 1996. BSLD currently provides certain intrastate interexchange  
5 telecommunications services throughout South Carolina pursuant to a  
6 certificate of public convenience and necessity granted or approved by the  
7 Commission in Order No. 97-963 in Docket No. 97-285-C.

8  
9 Q. PLEASE GIVE A BRIEF OVERVIEW OF BSE.

10  
11 A. BSE is a corporation formed and existing under the laws of the State of  
12 Delaware and is a wholly-owned subsidiary of BellSouth Corporation. BSE  
13 provides local exchange telecommunications services in the State of South  
14 Carolina pursuant to a certificate of public convenience and necessity the  
15 Commission granted in Order No. 97-1063 in Docket No. 97-361-C.

16  
17 Q. WHAT ARE BSE AND BSLD ASKING THIS COMMISSION TO DO?

18  
19 A. BSE intends to merge into BSLD during the first half of 2004. As part of that  
20 merger, BSE intends to merge all of its assets, including without limitation its  
21 certificate of public convenience and necessity, into BSLD. Pursuant to S.C.  
22 Code Ann. §58-9-310, BSE and BSLD are asking the Commission to approve  
23 this merger.

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Q. WHY DO BSE AND BSLD WANT TO ACCOMPLISH THIS MERGER?

A. The primary purposes behind the proposed merger are customer satisfaction and efficiency.

By merging BSE into BSLD, BellSouth will be better able to serve its customers' needs. Today, for example, if a customer wants a complete frame relay solution from BellSouth, it must contract with BSE for the local piece and with BSLD for the long distance portion. This can create customer confusion and potential administrative difficulties. With a merger of the two companies, a customer would be able to have just one contract for all of its frame relay needs, thereby avoiding these issues and leading to greater customer satisfaction.

Additionally, the current corporate structure, in which two wholly owned subsidiaries of BellSouth Corporation provide different types of competitive services, creates unnecessary inefficiencies and duplication of work. For example, by merging these two affiliates, BellSouth will reduce the number of affiliate transactions it must track and account for. There will also be one less set of books that BellSouth will need to keep. In addition, by merging these two companies, BellSouth will reduce the number of regulatory filings it will need to make in the various states.

1

2 Q. PLEASE GIVE A BRIEF DESCRIPTION OF BSE'S ASSETS.

3

4 A. Aside from its certificate of public convenience and necessity, BSE's only asset  
5 is Accounts Receivable. BSE does not journalize accounts receivables at the  
6 state level. As a result, to estimate a state-specific Accounts Receivable figure  
7 requires the use of an allocation factor. The appropriate allocation percentage  
8 is based on BSE's revenues, which are identified according to jurisdiction.  
9 Using this approach, BSE's Accounts Receivables for South Carolina are  
10 estimated at less than \$200,000.

11

12 Q. HOW MANY CUSTOMERS DOES BSE HAVE IN SOUTH CAROLINA?

13

14 A. BSE has a customer base of fewer than 80 customers in South Carolina.

15

16 Q. WHAT KIND OF CERTIFICATE DOES BSE HAVE IN SOUTH  
17 CAROLINA?

18

19 A. BSE has a certificate of public convenience and necessity to provide all forms  
20 of local exchange services on a statewide basis in South Carolina, subject to  
21 the conditions contained in the Stipulation that BSE has signed with the South  
22 Carolina Telephone Coalition ("SCTC"). This Stipulation is discussed in  
23 greater detail later in my testimony.

1

2 Q. WILL THE MERGER OF BSE INTO BSLD NEGATIVELY IMPACT THE  
3 PROVISION OF TELECOMMUNICATIONS SERVICES IN SOUTH  
4 CAROLINA?

5

6 A. No. This proposed corporate change is strictly *pro forma* and will not impact  
7 the provision of telecommunications services in South Carolina. There will be  
8 no change in the ultimate ownership, control or management or the day-to-day  
9 operations of the authorized carrier. Service will be provided using the same  
10 network, billing systems, and customer service operations used by BSE today.  
11 After the merger is complete, BSLD will provide current BSE customers with  
12 the services they are currently receiving from BSE pursuant to BSLD contracts  
13 and tariffs that offer such services under the same rates, terms and conditions.  
14 Current customers will see no change in the rates they pay or the terms and  
15 conditions under which they receive their service.

16

17 Q. AFTER THE MERGER IS COMPLETE, WILL BSLD HAVE TECHNICAL  
18 AND MANAGERIAL RESOURCES SUFFICIENT TO PROVIDE THE  
19 SERVICES THAT BSLD AND BSE CURRENTLY ARE CERTIFICATED  
20 TO PROVIDE IN THE STATE OF SOUTH CAROLINA?

21

22 A. Yes. BSLD already is certificated to provide intrastate interexchange service  
23 in South Carolina, and the proposed merger will have no adverse impact on

1 BSLD's technical or managerial resources to continue providing those services  
2 in South Carolina. In fact, most of these resources are provided by BSLD  
3 today.

4  
5 After the merger is complete, the operations of BSLD in its capacity as a  
6 CLEC will be directed by its senior management and will be assisted by a  
7 professional technical and operations staff. These persons also will have both  
8 marketing and operations responsibility for BSLD. Descriptions of the  
9 backgrounds of BSLD's senior management are attached as Exhibit MLS-1.  
10 These same persons currently provide management, professional and  
11 operational services to BSE. BSLD and its affiliates have extensive experience  
12 in the provision of telecommunications services throughout the United States  
13 and abroad.

14  
15 Q. AFTER THE MERGER IS COMPLETE, WILL BSLD HAVE FINANCIAL  
16 RESOURCES SUFFICIENT TO PROVIDE THE SERVICES THAT BSLD  
17 AND BSE CURRENTLY ARE CERTIFICATED TO PROVIDE IN THE  
18 STATE OF SOUTH CAROLINA?

19  
20 A. Yes. BSLD already is certificated to provide intrastate interexchange service  
21 in South Carolina, and the proposed merger will have no adverse impact on  
22 BSLD's financial resources to continue providing those services in South  
23 Carolina.

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Given that BSLD is a relatively new participant in the telecommunications industry and that BSLD does not currently provide local exchange service in any state, financial information regarding BSLD is very limited. Accordingly, with regard to its operations in its proposed capacity as a CLEC, BSLD, like BSE, is a wholly owned subsidiary of BellSouth Corporation and as such will rely upon the financial qualifications of its parent, BellSouth Corporation. The 2002 SEC Form 10-K of BellSouth Corporation, including income statements, balance sheets, and a statement of cash flows for year-end 2002, is attached as Exhibit MLS-2. BellSouth Corporation is a diversified telecommunications company, serving approximately 14 million customers. Additionally, BSLD has a number of financing vehicles in place to ensure adequate liquidity in meeting its anticipated funding needs.

Q. AFTER THE MERGER IS COMPLETE, WHAT SERVICES WILL BSLD OFFER?

A. In addition to long distance services it already provides in South Carolina, BSLD expects to offer a variety of local services, primarily to business customers in South Carolina with an emphasis on complex data services, particularly frame relay service. BSLD's local and long distance services will be offered both individually and as packages to give customers the benefit of



1           one-stop shopping. BSLD may also offer basic local services to residential and  
2           business customers in South Carolina in the future.

3

4    Q.    WILL THE PROPOSED MERGER NEGATIVELY IMPACT THE  
5           CUSTOMERS THAT ARE CURRENTLY RECEIVING SERVICE FROM  
6           BSE?

7

8    A.    No. After the merger is complete, BSLD will provide current BSE customers  
9           with the services they are currently receiving from BSE pursuant to BSLD  
10          contracts and tariffs that offer such services under the same rates, terms and  
11          conditions as the customers have today.

12

13   Q.    WILL BSE'S CUSTOMERS BE GIVEN PRIOR NOTICE OF THE  
14          IMPENDING MERGER?

15

16   A.    Yes. BSLD and BSE will provide notice to BSE's customers of the impending  
17          merger. Exhibit MLS-3 is a copy of the notice.

18

19   Q.    DOES BSLD HAVE PLANS TO OFFER LOCAL EXCHANGE  
20          TELECOMMUNICATIONS SERVICES IN AREAS SERVED BY ANY  
21          INCUMBENT LOCAL EXCHANGE TELEPHONE COMPANY WITH  
22          FEWER THAN 100,000 TOTAL ACCESS LINES?

23

1 A. No. BSLD has no plans to offer local exchange telecommunications services  
2 in areas served by any incumbent local exchange telephone company with  
3 fewer than 100,000 access lines. Should those plans change in the future,  
4 however, BSLD will honor the terms and conditions of Exhibit MLS-4.

5  
6 Q. WHAT IS EXHIBIT MLS-4?

7  
8 A. Exhibit MLS-4 is a copy of the Stipulation that BSE has signed with the  
9 SCTC. This is the same Stipulation that the SCTC seeks to have all new  
10 entrants sign.

11  
12 Q. IF THE COMMISSION APPROVES THE JOINT APPLICATION, WILL  
13 BSLD HONOR THE TERMS OF THIS STIPULATION?

14  
15 A. Yes. BSLD acknowledges that BSE's certificate of convenience and public  
16 necessity regarding local exchange services that will be transferred and/or  
17 merged into BSLD is subject to and includes all of the terms and conditions of  
18 Exhibit MLS-4. BSLD, therefore, will honor the terms of this Stipulation after  
19 the merger is complete.

20  
21 Q. AFTER THE MERGER IS COMPLETE, WILL THE SERVICES THAT  
22 BSLD OFFERS MEET THE SERVICE STANDARDS THAT THE  
23 COMMISSION MAY ADOPT?

1

2 A. Yes. After the merger is complete, BSLD will provide services that will meet  
3 the service standards that the Commission has adopted and that the  
4 Commission may adopt. BSLD has and will continue to comply with all rules,  
5 policies, and statutes applicable to its service offerings.

6

7 Q. AFTER THE MERGER IS COMPLETE, WILL BSLD'S PROVISION OF  
8 SERVICE ADVERSELY IMPACT THE AVAILABILITY OF  
9 AFFORDABLE LOCAL EXCHANGE SERVICE?

10

11 A. No. To the contrary, it will enhance the availability of affordable local  
12 exchange service for at least two reasons. First, BSLD will offer services that  
13 will compete with services offered by incumbent local exchange companies,  
14 competing local exchange companies, and long distance companies. Second,  
15 as noted below, BSLD currently participates in and will continue to participate  
16 in the intrastate universal service fund as required by state statutes and  
17 Commission orders.

18

19 Q. AFTER THE MERGER IS COMPLETE, WILL BSLD PARTICIPATE IN  
20 THE SUPPORT OF UNIVERSALLY AVAILABLE TELEPHONE SERVICE  
21 AT AFFORDABLE RATES TO THE EXTENT THAT IT MAY BE  
22 REQUIRED TO DO SO BY THE COMMISSION?

23

1 A. Yes. BSLD participates in the intrastate universal service fund today to the  
2 extent that it is required to do so by the commission, and it will continue to do  
3 so after the merger is complete.

4

5 Q. AFTER THE MERGER IS COMPLETE, WILL BSLD'S PROVISION OF  
6 SERVICE OTHERWISE ADVERSELY IMPACT THE PUBLIC  
7 INTEREST?

8

9 A. No. BSLD is only seeking to merge with BSE. BSE already has a certificate  
10 of convenience and necessity in South Carolina pursuant to which it provides  
11 local services today. Granting BSLD's and BSE's Joint Application will only  
12 mean moving that certificate from one BellSouth affiliate to another. Just as  
13 BSE does today, BSLD will continue to provide customers an additional choice  
14 of innovative and high quality services. Thus, authorizing BSLD to provide  
15 local exchange telecommunications services will continue to provide  
16 competitive alternatives and the economic development that such alternatives  
17 create. In particular, the public will benefit both directly, through the use of the  
18 competitive services to be offered by BSLD and indirectly, because BSLD's  
19 presence in South Carolina will maintain the incentives for other  
20 telecommunications providers to operate more efficiently, offer more  
21 innovative services, reduce their prices, and improve their quality of service.

22

1        Additionally, because BSLD is a Section 272 Separate Affiliate as that term is  
2        used in the Telecommunications Act of 1996 ("Act"), all of the separate  
3        affiliate requirements of that Section of the Act will apply to BSLD in its role  
4        as a CLEC as well as a long distance carrier. In the South Carolina 271  
5        proceeding, both the FCC and the Commission determined that BSLD  
6        demonstrated compliance with the requirements of Section 272. These are  
7        additional safeguards to the public interest that will result from the  
8        Commission's granting the Joint Application.

9  
10    Q.    AFTER THE MERGER IS COMPLETE, WHO CAN THE COMMISSION  
11        STAFF CONTACT AT BSLD REGARDING REGULATORY AND  
12        FINANCIAL MATTERS?

13  
14    A.    After the merger is complete, BSLD's contact for regulatory matters will be:

15  
16                                    Mary Jean Dennis

17                                    Director – Business Implementation & Compliance

18                                    400 Perimeter Center Terrace, Suite 400

19                                    Atlanta, GA 30346

20                                    (770) 352-3077 (phone)

21                                    (687) 443-3470 (fax)

22                                    [mary.dennis@bellsouth.com](mailto:mary.dennis@bellsouth.com) (email)

1           After the merger is complete, BSLD's contact regarding financial matters will  
2           be:

3                               William Schneider  
4                               Controller  
5                               400 Perimeter Center Terrace, Suite 400  
6                               Atlanta, GA 30346  
7                               (770) 352-3352  
8                               (678) 443-3475  
9                               [bill.schneider@bellsouth.com](mailto:bill.schneider@bellsouth.com)

10

11   Q.    IN WHAT SPECIFIC GEOGRAPHIC AREA IS BSLD SEEKING  
12           AUTHORITY TO PROVIDE SERVICES AFTER THE MERGER IS  
13           COMPLETE?

14

15   A.    BSLD will provide services in the same geographic areas in which BSE is  
16           authorized to provide services. More specifically with regard to local  
17           exchange services, BSLD seeks authority to provide such services on a  
18           statewide basis in South Carolina, subject to the conditions contained in the  
19           Stipulation that BSE has signed with the South Carolina Telephone Coalition  
20           ("SCTC").

21

22   Q.    AFTER THE MERGER IS COMPLETE, WILL BSLD MAKE ANY TARIFF  
23           FILINGS AS A RESULT OF THE MERGER?

1

2 A. Yes. After the merger is complete, BSLD will file tariffs that are identical to

3 the ones that are currently on file with the Commission and that are identified

4 as BSE South Carolina P.S.C. Tariff No. 1, except that the carrier name will be

5 changed from BSE to BSLD. There will be no change to the prices, or terms

6 and conditions of services that BSE is providing today.

7

8 Q. HAS ANY STATE EVER DENIED BSLD AUTHORIZATION TO

9 PROVIDE INTRASTATE SERVICE?

10

11 A. No.

12

13 Q. HAS ANY STATE EVER REVOKED THE CERTIFICATION OF BSLD?

14

15 A. No.

16

17 Q. HAS BSLD EVER BEEN INVESTIGATED OR SANCTIONED BY ANY

18 REGULATORY AUTHORITY FOR SERVICE OR BILLING

19 IRREGULARITIES?

20

21 A. No.

22

1 Q. IN SUMMARY, WHAT ARE BSE AND BSLD ASKING THE  
2 COMMISSION TO DO IN THIS DOCKET?

3

4 A. BSE and BSLD respectfully request that the Commission enter an order  
5 approving the merger of BSE into BSLD, including without limitation the  
6 merger of BSE's existing certificate of convenience and necessity (including  
7 and subject to the Stipulation attached as Exhibit MSL-4) into BSLD.

8

9 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

10

11 A. Yes

12

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15 511483

16



**AFFIDAVIT**

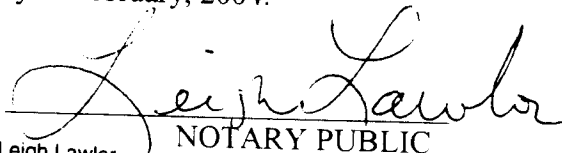
STATE OF Georgia )  
COUNTY OF DeKalb )

Before me, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid personally came and appeared Mario L. Soto who, being by me first duly sworn, deposed and said that:

1. I, Mario L. Soto, am Director-Business Implementation and Compliance, BellSouth Long Distance, Inc.
2. I have read my foregoing pre-filed testimony, which is dated February 17, 2004 and which consists of sixteen (16) pages and four (4) Exhibits.
3. The contents of my foregoing testimony are true to the best of my knowledge.

  
AFFIANT

Sworn to and subscribed before me this 16 day of February, 2004.

  
NOTARY PUBLIC

Leigh Lawlor  
Notary Public, Rockdale County, Georgia  
My Commission Expires March 16, 2007

My Commission Expires: \_\_\_\_\_

[SEAL]



## DESCRIPTION OF SENIOR MANAGEMENT OF APPLICANT

### Rex Adams, President-Long Distance Services

Rex Adams is responsible for leading BellSouth's entry into the consumer and business long distance markets, calling card services, wireless, operator services, and 1+ domestic and international calling plans. He has held a variety of positions with BellSouth, most recently Vice President and General Manager-eBusiness Services, where he was responsible for BellSouth's Hosting and Internet Services. Mr. Adams has also worked in BellSouth Billing, Inc., Corporate Planning and Development, BellSouth Information Technology Organization and was Vice President-Planning and Development and Administration at BellSouth Long Distance. He was instrumental in the initial planning, strategy and resourcing of BellSouth Long Distance in its preparation for wire line entry in May 2002 and its initial success.

Before joining BellSouth in 1994, Mr. Adams was a consultant at Monitor Company, a strategy consulting firm that was founded by Harvard Business School professor Michael Porter. While at Monitor Company, Mr. Adams was involved with clients in a number of industries, including oil and gas, the retail sector, and telecommunications.

Mr. Adams is a graduate of the Harvard Business School and a graduate of the United States Military Academy at West Point.

### Harris R. Anthony, Vice President -General Counsel

Mr. Anthony arrived at BellSouth Long Distance in early 2000, but has worked in BellSouth's Legal Department since 1977. He began his career with BellSouth as a labor attorney, then was BellSouth Telecommunications, Inc. ("BST"), General Counsel for Georgia and, later, BST General Counsel for Florida. He returned to Atlanta in 1994, where he assumed responsibility for BellSouth's Commercial Attorneys.

Mr. Anthony graduated Magna Cum Laude from Colgate University and went on to earn his Juris Doctorate from Duke University School of Law.

### Janet A. Kibler, Vice President-Billing and Support

Jan Kibler holds the title of President, BellSouth Long Distance, Inc. ("BSLD"). Prior to moving to BellSouth Long Distance in 1998, Ms. Kibler spent more than eight years in the yellow pages business. Her responsibilities focused largely on strategic planning and business development for the Advertising and Publishing Group. Ms. Kibler's prior work experience includes assignments at PepsiCo, Inc. and Dillon, Read and Co., both in New York City.

Ms. Kibler, a native of Georgia, graduated Summa Cum Laude from the University of the South with a Bachelor's Degree in Economics. She also has a Master's Degree in Business Administration from the University of Chicago.

Chris Anderson, Vice President-Business Products and Support

In his current assignment, Mr. Anderson is responsible for the overall development and management of BellSouth's InterLATA products for the Mid Market Business and Large Business marketplaces.

Prior to his current assignment, Mr. Anderson was Senior Director - Wholesale at BellSouth Long Distance. In that assignment, Mr. Anderson and his team led BellSouth into the long distance wholesale market nationwide. Prior to leading the wholesale group, Mr. Anderson was Director of Staff - BellSouth Value Added Services at BellSouth's Corporate Headquarters where he provided financial and strategic support.

Mr. Anderson started his career with BellSouth in the Large Business Sales Market holding various positions of increasing responsibility through Director of Business Development.

Mr. Anderson holds a Bachelor's Degree in Management from the Georgia Institute of Technology.

Robert B. Bentley, Vice President-Consumer and Wholesale Products

Rob Bentley is Vice President - Consumer and Wholesale Products at BSLD. His responsibilities include development of Consumer and Small Business long distance products and services, sales, marketing and operations for BellSouth's wholesale business as well as the BellSouth Long Distance Carrier Relations organization, managing BellSouth's carrier vendor relationships.

Mr. Bentley has held a variety of positions of increasing responsibility during his 14 years at BellSouth and, most recently, as General Manager - BellSouth Mobility West Tennessee, where he was responsible for all operations of the wireless business. He was responsible for all channels to market, including retail, direct and third party indirect distribution. Prior to that assignment, Mr. Bentley served as Director - National Accounts at BellSouth Advertising and Publishing Company ("BAPCO") in Atlanta, where he was responsible for sales management and interface with BAPCO's largest customers. This role also included the management of the publishing and customer service functions that served BAPCO's national customers.

Mr. Bentley holds a Bachelor's Degree in Business Administration from Appalachian State University and a Master's Degree in Business Administration from Mercer University.

**Joe Gilman, President-BellSouth Carrier Professional Services**

Joe Gilman is President - BellSouth Carrier Professional Services, Inc. In this role, he is responsible for the network planning, network operations, customer care operations planning, service delivery, service assurance and customer care functions of BellSouth's long distance operations. His assignment prior to coming to BellSouth Long Distance Services in 1997 was as Vice President - Business Planning in BellSouth International. He had responsibility for directing planning activities for competitive fixed network and long distance opportunities in Europe for two years while he was based in BellSouth's European headquarters in Brussels, Belgium. Prior to that, he was responsible for oversight and management of BellSouth's operating interests in the Asia/Pacific region, including Optus Communications in Australia, the second telecommunications carrier for Australia.

Earlier in his twenty-eight year career with BellSouth, he held a number of technical management positions within BellSouth Telecommunications, including responsibility for switching engineering, new services implementations, circuit provisioning and network operations.

In 1990, Mr. Gilman was awarded a Master's Degree in Management of Technology from the Massachusetts Institute of Technology. He also holds a Bachelor's Degree in Mathematics from Kentucky's Morehead State University.

**Sharon G. Spears, Chief Financial Officer-BellSouth Long Distance, Inc.**

Sharon Spears, Chief Financial Officer - BellSouth Long Distance, has been a part of the BellSouth Long Distance team since 1998, holding various positions in Business Planning and Finance, including Controller and Senior Director - Business Planning and Development. Prior to joining BellSouth Long Distance, Ms. Spears worked as Manager - Financial Operations for BellSouth International. She has been with BSLD since 1996. Ms. Spears worked at Coopers & Lybrand prior to joining BSLD.

She has a Bachelor's Degree in Accounting from Auburn University.

**Mike Reagan, Chief Information Officer-BellSouth Long Distance, Inc.**

Mike Reagan, Chief Information Officer - BellSouth Long Distance, was part of the BellSouth Long Distance Information Technology ("IT") organization from 1996 to 2001. Prior to joining BellSouth, Mr. Reagan held a number of positions with Sprint and MCI. In all, Mr. Reagan has been in telecommunications for 19 years and has held positions in network engineering, sales support, product development and information technology.

As CIO, Mr. Reagan is responsible for all IT planning and strategy, architecture, application development, application support, operations and project management for BellSouth Long Distance. Mr. Reagan has a Bachelor's Degree in Electrical Engineering and Mathematics from Geneva College in Pennsylvania.

## **BSE-BSLD Merger Customer Notification Messages**

### **Customer Bill Message**

Dear BellSouth Long Distance Customer,

BellSouth BSE, Inc. (BSE) will soon be merging with BellSouth Long Distance, Inc., pending approval by all appropriate regulatory agencies. If you currently have a contract with BellSouth Long Distance for Frame Relay services, the local component of your BellSouth Long Distance Frame Relay service is contracted with and provided by BSE. Effective with the merger, your contract for local Frame Relay service will be assigned from BSE to BellSouth Long Distance. This merger will be totally transparent to you except that BSE will no longer be referenced in your invoice. There will be no changes to the terms, rates and conditions of your contract.

We thank you for your business. If you have any questions, please call 800-895-2222.

### **Customer Direct-Mail Message**

Dear BellSouth Long Distance Customer,

BellSouth BSE, Inc. (BSE) will soon be merging with BellSouth Long Distance, Inc., pending approval by all appropriate regulatory agencies. This merger of BellSouth affiliates will have no impact on the services that you currently purchase from BellSouth Long Distance. The changes as a result of the merger are as follows:

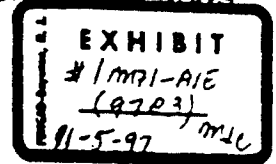
- If you currently have a contract with BellSouth Long Distance for Frame Relay services, the local component of your BellSouth Long Distance Frame Relay service is contracted with and provided by BSE. Effective with the merger, your contract for local Frame Relay service will be assigned from BSE to BellSouth Long Distance. There will be no changes to the terms, rates and conditions of your contract.
- Your current BellSouth Long Distance invoice references services provided by BellSouth Long Distance, Inc., BellSouth BSE, Inc., and BellSouth MNS, Inc. Effective with the merger, your invoice will no longer reference BellSouth BSE, Inc. as a provider of services.

As always, BellSouth Long Distance appreciates your business and looks forward to providing all your long distance communications needs. If you have any questions regarding this BellSouth affiliate merger, please contact us at 1-800-895-2222.

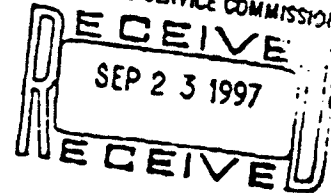
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MONAIR LAW FIRM

803 376 7219 P. 05/03



BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA  
Docket No. 97-361-C



Re: Application of BellSouth BSE, Inc. for a )  
Certificate of Public Convenience and )  
Necessity to Provide Resold and Facilities- )  
Based Local Exchange )  
Telecommunications Services Throughout )  
the State of South Carolina )

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and BellSouth BSE, Inc. ("BellSouth BSE") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to BellSouth BSE's Application. SCTC and BellSouth BSE stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to BellSouth BSE, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. BellSouth BSE stipulates and agrees that any Certificate which may be granted will authorize BellSouth BSE to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. BellSouth BSE stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

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4. BellSouth BSE stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until BellSouth BSE provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, BellSouth BSE acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. BellSouth BSE stipulates and agrees that if, after BellSouth BSE gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then BellSouth BSE will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. BellSouth BSE acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely

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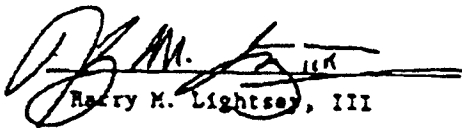
affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. BellSouth BSE agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

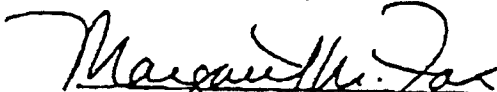
9. BellSouth BSE hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 23<sup>rd</sup> day of September 1997.

BellSouth BSE, Inc.

  
Barry M. Lightsey, III

South Carolina Telephone Coalition:

  
M. John Bowen, Jr.  
Margaret M. Fox  
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Post Office Box 11390  
Columbia, South Carolina 29201  
(803) 799-9800

Attorneys for the South Carolina  
Telephone Coalition



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## ATTACHMENT A

### South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.  
Bluffton Telephone Company, Inc.  
Chesnee Telephone Company  
Chester Telephone Company  
Farmers Telephone Cooperative, Inc.  
Ft. Mill Telephone Company  
Hargray Telephone Company, Inc.  
Heath Springs Telephone Company Inc.  
Home Telephone Company, Inc.  
Horry Telephone Cooperative, Inc.  
Lancaster Telephone Company  
Lockhart Telephone Company  
McClellanville Telephone Company  
Norway Telephone Company  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
Pond Branch Telephone Company  
Ridgeway Telephone Company  
Rock Hill Telephone Company  
Sandhill Telephone Cooperative, Inc.  
St. Stephen Telephone Company  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company

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BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA

Docket No. 97-361-C

Re: Application of BellSouth BSE, Inc. for a )  
Certificate of Public Convenience and )  
Necessity to Provide Resold and Facilities- )  
Based Local Exchange )  
Telecommunications Services Throughout )  
the State of South Carolina )


CERTIFICATE OF SERVICE

I, Sue-Ann Gerald, do hereby certify that this day I caused to have served the foregoing Stipulation to the below named party of record, by having same delivered as indicated, this 23rd day of September, 1997, and addressed as follows:

U.S. MAIL - FIRST CLASS POSTAGE AFFIXED:

Harry M. Lightsey, III, Esquire  
1100 Peachtree Street, N.E., Suite 500  
Atlanta, Georgia 30309-4599

Columbia, South Carolina

  
Sue-Ann Gerald